

# BEHIND the BADGE

U.S. POSTAL INSPECTION SERVICE  
ANNUAL REPORT FY 2012



# UNITED STATES POSTAL INSPECTION SERVICE

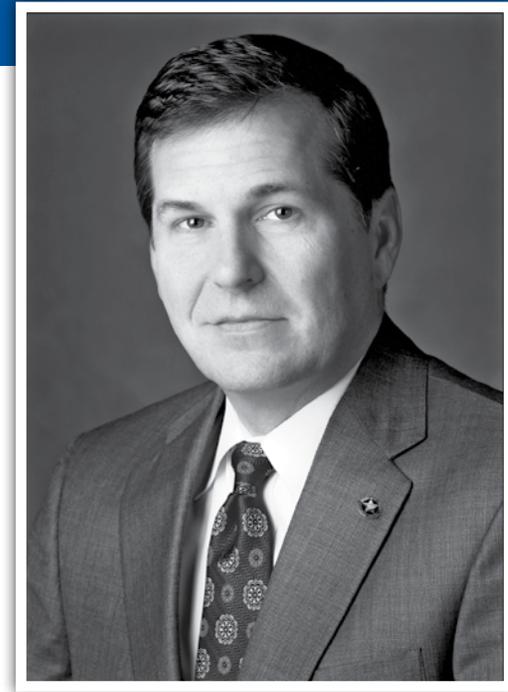


# BEHIND the BADGE

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# MESSAGE FROM THE CHIEF



**GUY J. COTTRELL**  
CHIEF POSTAL INSPECTOR

The American public trusts us to keep the mail safe. We do that by protecting the U.S. Postal Service and its employees and customers, and we do it by enforcing the laws that defend the nation's mail system from illegal or dangerous use.

At the Republican and Democratic National Conventions, specially trained Postal Inspectors operated our 53-foot, mobile mail-screening trailer, customized to detect chemical, biological, radiological, nuclear, and explosive threats in the mail. Inspectors and other specialists screened more than 11,600 pieces of U.S. Mail and parcels from commercial shippers. No harmful mailpieces were detected at either venue.

Educating postal customers to avoid scams is their best protection. We reach a wide swathe of customers with our new Consumer Alert News Network, launched in September. These video news segments illustrate current scams using Inspector cases and victim interviews. They've been picked up in more than 50 media markets nationwide for airing during local news broadcasts.

We prioritize investigations to pursue cases directly affecting the Postal Service. In 2011, Inspectors helped solve the tragic murder of Letter Carrier Bruce Parton in Miami, FL. The relentless efforts of Postal Inspectors helped convict the shooter on all 14 counts filed against him in 2012. He could be sentenced to life in prison.

We strive to offer the best-protected mail system in the world. For that, I thank our dedicated employees, whose work ensures America's trust in the U.S. Mail.

Guy J. Cottrell  
*Chief Postal Inspector*

# MEET THE U.S. POSTAL INSPECTION SERVICE



**GREGORY CAMPBELL, JR.**  
DEPUTY CHIEF INSPECTOR  
WESTERN FIELD OPERATIONS



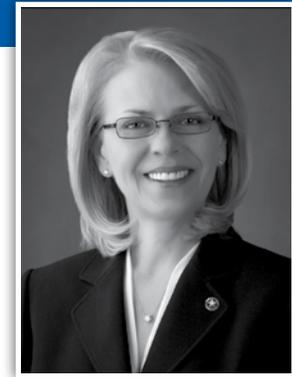
**RANDY S. MISKANIC**  
DEPUTY CHIEF INSPECTOR  
HEADQUARTERS OPERATIONS



**TERESA L. THOME**  
DEPUTY CHIEF INSPECTOR  
EASTERN FIELD OPERATIONS



**SHAWN S. TILLER**  
DEPUTY CHIEF INSPECTOR  
HEADQUARTERS



**SANDRA L. SPECTOR**  
CHIEF COUNSEL

## The U.S. Postal Service backs its mail service with the protection of its own federal law enforcement agency: the U.S. Postal Inspection Service.

We are the law enforcement, crime prevention, and security arm of the Postal Service. We provide the investigative and security resources that ensure America's confidence in the U.S. Mail.

We work to assure that American businesses can safely dispatch funds, securities, and information through the mail, that postal customers can entrust their correspondence to the mail, and that postal employees can work in a safe environment.

Our Postal Inspectors are federal law enforcement officers who carry firearms, make arrests, execute federal search warrants, and serve subpoenas. Inspectors enforce roughly 200 federal laws covering crimes that entail fraudulent use of the U.S. Mail and the postal system. Our Security Force of armed, uniformed Postal Police Officers are assigned to protect critical postal facilities. Our national information technology infrastructure supports users at nearly 200 sites nationwide, and our offices are linked nationally via a private law enforcement network.

We're the Postal Service's best-kept secret. And we're one of the reasons why the Postal Service was ranked first place as the "Most Trusted Government Agency" for six years running.

**UNITED STATES  
POSTAL SERVICE**  
FLAT MAIL TRAY

NO OTHER  
TAGS

UNITED STATES  
POSTAL SERVICE



FIGHTING MAIL FRAUD

PROTECTING POSTAL CUSTOMERS

ASSISTING CRIME VICTIMS

ADMINISTERING ASSET FORFEITURE

# FIGHTING MAIL FRAUD

The Mail Fraud Statute, enacted in 1872, is our country's oldest consumer protection law. It is our most effective defense against criminals who conduct fraudulent schemes via the U.S. Mail to victimize the American public. Postal Inspectors vigorously pursue mail fraud in all its forms, whether familiar scams such as Ponzi schemes or newer frauds that blend the use of the Internet and the mail.

To protect the integrity of the mail, Inspectors examine questionable sweepstakes and other promotions and review complaints from postal customers about potentially fraudulent mailings. Any item sent through the U.S. Mail must comply with the Deceptive Mail Prevention and Enforcement Act. It grants the Postal Service the subpoena power to obtain records and hold administrative hearings to determine the legality of mailings suspected of violating the act.

Under the authority of the act, mail is stopped from delivery to the violator. The Postal Service may also impose severe civil penalties on violators. Inspectors protect customers by enforcing the act and submitting requests to the Judicial Officer for subpoenas or Withholding Mail Orders as needed.

N E A R L Y  
**115,000**  
REPORTS OF  
**SUSPECTED**  
**FRAUD**  
PROCESSED



### Ponzi Schemer Earns 25 Years and \$179 Million Restitution Order

The former owner and president of a New York investment firm was sentenced to 25 years in prison and ordered to pay \$179 million in restitution to more than 4,000 postal customers. He pled guilty to mail and wire fraud after running a massive Ponzi scheme in which he stole millions of dollars of investors' money that they believed was funding short-term commercial loans. Inspectors helped to prove he tricked his clients by mailing deceptive promotional material and statements. We were the lead investigative agency.

### Corporate Officers Sentenced for Stock Fraud

Three suspects were sentenced collectively to more than 43 years in prison and ordered to pay \$44 million in restitution for defrauding at least 6,000 postal customers in a stock fraud scheme. The trio mailed false information with inflated stock prices to customers, while transferring shares of the stock to family members to sell at the inflated prices. One defendant who decided to represent himself in court failed to appear for his closing argument. He was apprehended by Postal Inspectors nearly 2,000 miles away.

Postal Inspectors  
have been investigating crimes  
involving the U.S. Mail  
for more than 200 years.

# PROTECTING POSTAL CUSTOMERS

Preventing fraud before it occurs is the best way to protect postal customers. Underpinning Inspectors' enforcement work is a wide array of efforts to educate consumers about fraud schemes involving the mail.

This tremendous undertaking requires our leadership and participation in task forces formed with trade and consumer associations, the mailing industry, the private sector, and other government and law enforcement agencies. Our partnerships with consumer groups have resulted in proactive strategies to safeguard the mail.

Our commitment to protecting postal customers is reinforced by our public information professionals, who liaise with the media and consumer groups to ensure information about ongoing crime trends is delivered quickly and accurately to target audiences.

NATIONAL  
CONSUMER  
PROTECTION | WEEK

**123 MILLION  
CUSTOMERS**  
WERE PROVIDED WITH  
**FRAUD**  
PREVENTION TIPS



## National Consumer Protection Week

One method we use to educate consumers and steer them away from fraudulent schemes is through our partnership with the Federal Trade Commission during National Consumer Protection Week (NCPW). Established in 1998 by federal, state, and local governments as well as national advocacy groups, NCPW is an annual campaign that draws attention to issues that will help customers become smarter consumers of products, materials, and services and improve their knowledge in combating fraud.

Foreign lotteries formed the theme of our 2012 campaign, which promoted a special website, *deliveringtrust.com*, to educate postal customers about lottery fraud and how to avoid it. The campaign placed ads on interstate billboards, on displays at airports, on subways, and during sporting events. Direct mailings also were sent to targeted demographics. Inspectors delivered nearly 400 presentations emphasizing the dangers of lottery fraud at community centers and senior housing complexes, and hosted or collaborated on events with other law enforcement or regulatory partners at public venues.

## In the CANN!

A new initiative unveiled this past year is an intensive effort to extend our fraud-prevention outreach to postal customers in new venues. Launched in September, the Consumer Alert News Network (CANN) is a long-term campaign to publicize fraud scams by disseminating video segments to TV stations.

CANN alerts are embedded in local newscasts. During each segment Inspectors—and sometimes victims—are interviewed about actual cases to illustrate ongoing scams. Interviews with victims help TV viewers relate to how scammers try to target consumers.

After only two months, we surpassed our target to reach news affiliates in 50 of the top 100 media markets within the first year of the campaign. This national consumer initiative is funded by fines collected from criminals convicted of fraudulent schemes.

# ASSISTING CRIME VICTIMS

Among our responsibilities in carrying out criminal investigations are several important outreach efforts for crime victims: identifying potential victims, providing them with timely notification of their rights, and informing them of services available to assist them.

How we treat those individuals has a huge impact on their confidence in the criminal justice system and their ability to heal and recover from crime. Our efforts help victims navigate an unfamiliar system and find affirmation for their suffering. If we are unable to bring a perpetrator to justice, our outreach work can help victims access the services they need to recover and help them understand the criminal justice response.

We work with the Department of Justice's (DOJ's) Office of Victims of Crime and the law enforcement community to support the Attorney General's Guidelines for Victims and Witnesses. Our staff members keep victims apprised of their case status in the judicial process, both fulfilling legal requirements and providing emotional support. Going beyond legal mandates, staff members regularly contact victims to offer support and guidance based on their unique circumstances.

**46,000**  
**CRIME**  
**VICTIMS**

**WERE NOTIFIED  
OF THEIR RIGHTS**



## National Crime Victims' Rights Week 2012

We teamed with DOJ's Office for Victims of Crime and the National Center for Victims of Crime during National Crime Victims' Rights Week to promote public awareness about victims' rights and services.

This year's theme, "Extending the Vision: Reaching Every Victim," advances the rights of victims and the nation's progress in providing these rights.

Our staff members worked with Postal Service employees to distribute educational material to more than 18,000 postal facilities, reaching an estimated 3 million customers. Our specialists also hosted public rallies, candlelight vigils, and other commemorative activities that touched more than 7 million postal customers through direct contact and media coverage.

"Millions of citizens are victimized annually by senseless criminal acts," said Chief Postal Inspector Guy Cottrell. "We are committed to supporting victims throughout the judicial process and assisting them in accessing services that can speed recovery."

**10 MILLION  
CUSTOMERS  
REACHED DURING  
NATIONAL CRIME  
VICTIMS' RIGHTS** | **WEEK**

# ADMINISTERING ASSET FORFEITURE

Asset forfeiture is an important criminal deterrent that allows law enforcement to seize illegal proceeds and minimizes criminals' profit incentive. The laws protect citizens by restoring victims' monetary losses to every extent possible and offset costs for criminal investigations paid by society at large.

We have criminal and administrative forfeiture authority for mail fraud, drug trafficking, money laundering, mail theft, and other financial investigations. Our Forfeiture Program has successfully managed millions in assets while strictly adhering to every legal provision related to due process.

Assets forfeited to the government fund initiatives that educate postal employees and customers about fraud and violence prevention. Equitable-sharing provisions allow us to share proceeds derived from joint investigations. The proceeds offset costs for multiagency task forces and compensate state and local police for canine units Postal Inspectors rely on to rid the U.S. Mail of illegal narcotics.

After property was restored to crime victims and innocent owners, we seized assets valued at \$54.6 million in FY 2012. Another \$6.7 million in forfeitures from joint investigations was made available for sharing with other federal, state, and local law enforcement agencies.

**ASSET  
FORFEITURES  
TOTALLED**

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**\$54.6  
MILLION**



## \$6 Billion Forfeiture Ordered for Ponzi Scheme

Our Department of Justice (DOJ) Mail Fraud Team helped to successfully prosecute the mastermind of a multibillion-dollar Ponzi scheme.

R. Allen Stanford, former chairman of the Houston-based Stanford Financial Group, was sentenced to 110 years in prison. The judge also entered a \$5.9 billion personal money judgment against Stanford, and \$330 million in recovered funds will be returned to victims and credited against the judgment. In addition to conspiracy and obstruction, Stanford was convicted of multiple counts of mail and wire fraud affecting approximately 25,000 victims.

Stanford convinced investors to purchase certificates of deposit and then misused most of the money. His victims mailed in payments, believing the monthly statements he sent them accurately reflected their investments. Stanford diverted more than \$1.6 billion of investor funds as a loan for his personal use.

“When criminals exploit the mail  
to perpetrate fraud,  
it’s our job as Postal Inspectors  
to bring them to justice.”

–DEPUTY CHIEF INSPECTOR  
U.S. POSTAL INSPECTION SERVICE



POLICE INSPECTOR



TARGETING THEFT

INTERCEPTING DANGEROUS MAIL

IMPEDING NARCOTICS TRAFFICKING

HALTING CHILD EXPLOITATION VIA THE MAIL

# TARGETING THEFT

The American public expects its mail to be delivered on time and intact. It is mandated by law that U.S. Mail arrive unopened and delivered to the addressee for whom it was intended. Postal Inspectors have investigative jurisdiction when mail delivery is interrupted by theft, rifling, obstruction, or destruction.

Every day, more than 563 million pieces of mail—First-Class letters, parcels, magazines, financial documents, business correspondence, Express Mail, Priority Mail, Registered Mail, international mail, and much more—travel across the country. Planes, ships, rail, trucks, automobiles, and humans move the mailpieces to their destinations, and the Postal Service delivers them to millions of addresses weekly.

Postal customers trust the U.S. Mail with their most prized possessions—jewelry or other expensive items and financial information. By deploying the best security and preventive measures available, and educating every postal employee about theft, Postal Inspectors make it difficult for mail thieves to be successful.

OPERATION  
RAPID REFUND

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**TENS**<sup>O</sup><sub>F</sub>  
**THOUSANDS**

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**FRAUDULENT  
TAX REFUNDS  
RETURNED  
TO THE IRS**



### DOJ Directive Boosts Tax-Fraud Prosecutions

A DOJ directive of October 1, 2012, boosts the effectiveness of the Tax Division and U.S. Attorneys' Offices in prosecuting tax-refund fraudsters. Prosecutors may now authorize arrests without prior approval from the Tax Division and may open cases against tax-fraud suspects. The directive is related to the case of the Miami letter carrier who was murdered in the line of duty when a criminal attempted to gain access to fraudulent tax returns and other financial documents from the mail.

### Operation Rapid Refund

The DOJ directive prompted Postal Inspectors, in concert with other law enforcement officials, to form Operation Rapid Refund, a task force targeting criminals who commit tax fraud via the mail.

Operation Rapid Refund halted a massive tax-fraud scheme in 2012. Two suspects filed hundreds of fraudulent returns using the U.S. Mail. The suspects pled guilty to filing false federal income tax returns and using unauthorized access devices with the intent to defraud. They face sentencing of up to 10 years and are alleged to have collected more than \$2.5 million in tax refunds.

### Letter Carrier Suspect Convicted

Last year's Annual Report recounted the tragic murder of a veteran letter carrier, who was shot and robbed while delivering mail in Miami, FL. On September 13, the gunman was found guilty on all 14 counts filed against him, including homicide and mail theft. He could be sentenced to life in prison.

# INTERCEPTING DANGEROUS MAIL

The threat or discovery of dangerous mail containing biological, chemical, radiological, or potentially explosive material challenges Postal Inspectors in their quest to protect postal employees and customers. Inspectors receive specialized training and equipment to respond to suspicious mail incidents, resolve alleged and actual threats, and conduct investigations of any incidents or related criminal activity. Our goal is to protect employees, customers, and the American public.

Postal Inspectors respond rapidly to ensure early detection when unidentified substances in the mail or threats involving chemical, biological, or radiological material are reported. Not all incidents involve criminal intent, but a rapid response ensures that Inspectors are on the scene whenever mail is used to convey dangerous substances.

Inspectors also respond to reports of suspicious items, such as improvised explosive devices (IEDs)—commonly called mail bombs—placed in the mail or on postal property. If a mail bomb detonates, the safety of those in the vicinity is the first priority for Inspectors and other responders. Inspectors investigate three to four incidents of mailed IEDs annually that are not classified as hoaxes. There have been no fatalities from these cases for eight years running.

 **MAIL  
SCREENING  
AT NATIONAL SPECIAL  
SECURITY EVENTS  
37,400  
MAILPIECES**



## Expertise in Mail Screening

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Both the 2012 Republican National Convention (RNC), held in Tampa, FL, in August, and the Democratic National Convention (DNC), held in Charlotte, NC, in September, were designated as National Special Security Events by the Secretary of the Department of Homeland Security. As trusted professionals in all matters relating to mail security, we were enlisted by the U.S. Secret Service to assist in developing and coordinating security plans for the conventions and to screen all mail—including items sent by the four largest commercial carriers.

Months before the RNC, Postal Inspectors helped develop a comprehensive response plan. They prepared postal workers in the area by delivering security presentations to 3,550 city and rural carriers and drivers, and visiting more than 250 postal facilities to review security protocols.

Tropical Storm Isaac brought high winds and surging seas to the Tampa area on August 25, 2012, causing Inspectors to adapt operations and work with task force partners around the clock to secure the area. Inspectors screened more than 3,600 letters and parcels to protect attendees at the RNC. Similar operations were conducted by Postal Inspectors at the DNC, where Inspectors screened 8,000 mailpieces and parcels. They identified no hazards.

## Bishop Bomber Convicted

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On May 4, 2012, a federal jury in Chicago convicted John Tomkins—the so-called “Bishop Bomber”—on 12 counts of mailing threatening communications and destructive devices. Our hunt for Tomkins, who called himself “The Bishop,” intensified in 2007, when his series of threatening letters escalated and he mailed two pipe bombs to investment firm targets. The bombs were not triggered to explode when the parcels were opened, and no one was hurt.

Postal Inspectors worked diligently to catch Tomkins. Their investigation revealed his mailings were part of an extortion scheme to boost the value of stock in two companies in which he had invested.

Inspectors pored over some 180,000 records before identifying Tomkins—a one-time machinist from Dubuque, IA,—as the likely suspect, which led them to arrest him in 2007. Court proceedings were delayed for years due to legal motions filed by Tomkins, who fired four attorneys and then took over his own defense. It was a proud moment for us when we caught John Tomkins before anyone was injured. Sentencing is pending.

# IMPEDING NARCOTICS TRAFFICKING

Our narcotics program stresses the safety of postal employees and strives to protect them from handling packages of illegal narcotics and narcotics-trafficking proceeds—and the violence associated with them. To accomplish that goal, our investigations target drug-trafficking rings and include the interdiction of parcels containing contraband.

The Organized Crime Drug Enforcement Task Force (OCDEF) is a multi-agency partnership of federal, state, and local law enforcement who share information and intelligence to identify, disrupt, and dismantle drug-trafficking and money-laundering rings. OCDEF created the Fusion Center to centralize intelligence from these groups, which, in addition to us, includes ATF, FBI, DEA, ICE, IRS, Coast Guard, DOL-Office of Inspector General, Customs and Border Protection, State Department, U.S. Marshals Service, Secret Service, and the Financial Crimes Enforcement Network (FinCEN).

Fusion Center activities greatly benefit us by supplying timely intelligence from a multitude of agencies for our investigations of illegal drugs, money laundering, organized crime, and other offenses that can adversely affect Postal Service employees, customers, resources, operations, and service.

## NARCOTICS TRAFFICKING

 **2,299**  
ARRESTS &  
INDICTMENTS

**\$20.2M**  
S E I Z E D



### 18 Members of Drug-Trafficking Ring Arrested

Inspectors working on a tip from Customs and Border Protection agents uncovered an alleged drug-trafficking ring with nearly two dozen suspected members in the Virgin Islands and Texas. More than 1,400 pounds worth of drug packages and nearly \$400,000 in proceeds were tied to the alleged ring. Inspectors arrested six suspects in the Dallas-Ft. Worth area, and 12 others in St. Croix.

### Operation Sweet Leaf

Postal Inspectors executed 25 search warrants and 16 arrest warrants on suspects in Colorado and New Jersey for allegedly trafficking significant quantities of marijuana across state lines. Dozens of marijuana “grow houses” are involved in the investigation. Inspectors seized 2,749 marijuana plants, 40 firearms, and more than \$278,000 in assets.

Our National Intelligence Unit provides the most accurate intelligence available to support our investigations—and was responsible for seizures of nearly \$2 million in cash, 55 kilos of cocaine, 450 lbs. of marijuana, and 20 firearms.

# HALTING CHILD EXPLOITATION VIA THE MAIL

The use of the mail to illegally transport child exploitation material, or otherwise facilitate the sexual exploitation of children, undermines the integrity of our nation's mail system. Failure to safeguard our postal customers' most precious resource—their children—not only endangers young victims but also debases the postal brand and erodes trust in the mail. We assign specially trained Postal Inspectors to investigate when the mail is used to distribute sexual images of exploited children.

In FY 2012, these Inspectors focused on those who profit from this activity, shutting down companies that make millions by distributing videos via the mail depicting the sexual abuse of minors. Inspectors went further, identifying the customers and bringing them to justice on federal charges involving use of the mail. Most disturbing was that many of the customers were teachers, ministers, coaches, police officers, and medical personnel who had direct access to children.

**100%**  
**INCREASE**  

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**IN THE NUMBER OF  
VICTIMS RESCUED BY  
INSPECTORS  
FY 2011 - FY 2012**



### Teacher of the Year Investigated

Postal Inspectors executed a federal search warrant in March 2012 at the home of a Georgia elementary school teacher who is alleged to have ordered 26 DVDs of child pornography by mail. He was named Teacher of the Year in 2011 and recently was approved to adopt a child, due to arrive in April. After Inspectors identified the man as a suspect, the adoption process was halted.

### Suspected Sex Offender Arrested

Inspectors arrested a Louisiana man for allegedly mailing a Priority Mail package containing sex toys to a minor he met online. The man is suspected of coercing the minor child into sending him videotapes of sex acts performed in front of a camera. The investigation continues.

### Sexual Abuser Sentenced

In February a Michigan man was sentenced to 30 years in federal prison for possessing, receiving, and producing child pornography. Inspectors executed a search warrant on his home in July 2011 when he accepted child exploitation material delivered by mail. Among the 6,000 images of child exploitation seized by Inspectors were videos of the man purportedly abusing two children, ages 4 and 9. Inspectors located five other children the man had allegedly abused years earlier.

Child exploitation investigations can be heartbreaking, but they are also deeply rewarding to Inspectors who succeed in halting abuse, rescuing young victims, and preventing other children from being sexually exploited.



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We Deliver



KEEPING EMPLOYEES SAFE & SECURE

DEPLOYING SECURITY

SAFEGUARDING REVENUE

WORKING GLOBALLY

# KEEPING EMPLOYEES SAFE & SECURE

The Chief Postal Inspector directs the operations of the U.S. Postal Inspection Service but also serves as Chief Security Officer for the U.S. Postal Service. To fulfill both roles, he must maintain a watchful eye on all conditions affecting the safety and security of the Postal Service and its most precious asset: postal employees.

Over the past year proposed closures and restructuring efforts by the Postal Service raised the potential for security issues at facilities nationwide. We strengthened programs addressing violence prevention to proactively ensure employees had strong safeguards during difficult workplace transitions. Following this tighter focus on workplace violence was the re-launching of the Safe & Secure Initiative, which emphasizes education and prevention as the best protective strategies.

Proof of our success lies in the numbers. Despite the added stress factors affecting more than 500,000 postal employees across the country, the number of incidents of violence in workplace has remained unchanged in the past fiscal year.

INSPECTORS  
**EDUCATED**  
**62,500**  
**POSTAL**  
**EMPLOYEES**  
IN VIOLENCE  
PREVENTION



## Capturing Robbers

Robberies not only pose a threat to postal employees, but also jeopardize the public's trust in the mail and attack the financial integrity of the Postal Service. Robbers who accost letter carriers usually are seeking mail containing valuables—anything from financial information to checks, jewelry, or illegal drugs. They also rob carriers for personal property. Those who target Postal Service facilities are generally after cash, money orders, and stamps.

In FY 2012, the U.S. Postal Service experienced 83 robberies or attempted robberies of postal employees, contractors, or Post Offices. Postal Inspectors arrested 53 suspected robbers during that period and reported 55 convictions, some from cases in prior reporting periods.

**YOU ARE YOUR MOST IMPORTANT DELIVERY.**

You may know your route inside and out, but don't ever take your safety for granted. If you think you're in danger, call 9-1-1, and your supervisor. Your supervisor will report the incident to Postal Inspectors. Better security is everyone's job.

UNITED STATES POSTAL SERVICE

*Our Safe & Secure Initiative emphasizes education and prevention to ensure employee safety.*

# DEPLOYING SECURITY

Risk assessments are fundamental to the security of any organization. They are essential to ensuring that controls are fully commensurate with the risks to which a business is exposed. The only way to assure the security of postal facilities—including the employees who work there and the mail processed and handled there—is to thoroughly evaluate every vulnerability. To this end we have implemented an exacting new methodology: the Vulnerability Risk Assessment Tool (VRAT).

VRAT is a comprehensive, risk-based model that identifies security deficiencies so problems are immediately corrected or mitigated. It is based on CAP (Crimes Against Persons and Property) index scores, considered by security professionals to be the most accurate predictors of loss, risk, and crime vulnerability, to forecast crime trends based on the previous year's activity.

Security specialists conduct two levels of reviews at large processing centers with critical operations. A third level, required for all postal facilities, is conducted annually by on-site staff and overseen by Inspectors to ensure proper completion. We developed this streamlined methodology with the safety of the Postal Service in mind.

INSPECTORS  
**CONDUCTED**  
APPROXIMATELY  
**28,000**  
POSTAL  
FACILITY  
REVIEWS



### Uniformed Security: Postal Police Officers

To assist in protecting hundreds of thousands of postal employees and safeguarding valuable postal equipment at more than 30,000 postal facilities, we maintain an armed, uniformed Security Force of Postal Police Officers (PPOs). PPOs are responsible for perimeter and building security at those Postal Service facilities deemed to be at higher risk of criminal attack, and they provide security services for postal facilities within a set response radius of their primary duty stations.

### Arresting Burglars

Burglary rates continue to decrease nationwide, and that also holds true for burglaries of postal facilities. We employ target-hardening and other prevention tactics to reduce risks and increase the security of facilities for employees and customers. In FY 2012, Postal Inspectors reported 114 burglaries of postal facilities—but thanks to increased security and aggressive investigations, these crimes resulted in only minor losses. Inspectors arrested 64 suspected burglars in FY 2012 and reported 67 convictions from cases originating in this and prior reporting periods.

# SAFEGUARDING REVENUE

The Postal Service is a \$66 billion enterprise that relies on customers—not tax dollars—to fund its operations. Most consumers willingly pay the required postage, but if they fail to do so or attempt to mail items at lower-than-required rates, the Postal Service sustains a loss.

Inspectors work with various postal groups to seek new ways to protect revenue. In development are several investigative systems that collect evidence of mailers' false claims and criminal schemes. When internal controls fail or dishonest mailers circumvent the system, Inspectors conduct investigations to identify postage shortfalls, improper or fraudulent mailings, and related issues. In these cases, criminal charges, civil sanctions, and deficiency assessments are levied as appropriate.

**REVENUE  
LOSSES**  

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**INSPECTORS  
RECOVERED  
\$31.1 M  
FROM MAILERS**



### Recovering Postal Equipment

Our Equipment Recovery Program addresses the misuse and misappropriation of the Postal Service's mail transportation equipment—which drains millions in postal revenue. Postal Inspectors and security specialists visit air cargo sites, airports, and recycling facilities where large quantities of equipment may be unintentionally retained. Inspectors also locate missing equipment through investigations, self-initiated reviews, and postal employee and public leads. Inspectors in the past year recovered nearly 43,000 plastic pallets and other postal equipment valued at more than \$1.7 million.

### Failure to Pay Postage

The owner of a costume company voluntarily agreed to pay the Postal Service nearly \$320,000 after Inspectors alleged he failed to submit documents required for Express Mail.

### Short-Paid Mail

A Revenue Deficiency Letter requested \$278,000 from a third-party mailer who is suspected of repeatedly presenting mail with insufficient postage. Inspectors believe he short-paid about 50 percent of his First-Class Mail and high percentages of other mail.

# WORKING GLOBALLY

A robust international security program is essential to safeguard U.S. postal operations, which generate almost half of the world's mail. We coordinate global security initiatives and investigations with postal offices and foreign law enforcement stakeholders to protect U.S. Mail worldwide.

The Chief Postal Inspector is Chairman of the Postal Security Group (PSG) of the Universal Postal Union (UPU). The UPU's 192-member countries collaborate to set standards for worldwide postal security and ensure a universal network of products and services safe for customers around the globe.

Inspectors protect U.S. international and military mail assets and operations through investigations with foreign operators, security personnel, and other law enforcement agencies. Inspectors engage in security missions with the Postal Union of the Americas, Spain, and Portugal, and with other restricted unions and international postal groups. Inspectors work onsite at the Postal Service's five International Service Centers in Miami, San Francisco, Los Angeles, Chicago, and New York, where mail arrives from other countries.

**1.2M**  
**FRAUDULENT**  
**FOREIGN LOTTERY**  
**MAILINGS**  
**SEIZED &**  
**DESTROYED**



## Patrolling Cyberspace

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The Postal Service is one of the largest businesses in the United States and owns one of the world's largest information technology infrastructures. Like other companies and governments, incidents of hacking, viruses, and malware create significant risks to the confidentiality of information and the integrity of the network.

We aggressively investigate cybercrime affecting the Postal Service and its customers, and mitigate threats by building relationships with foreign and domestic law enforcement and intelligence agencies, businesses and academic institutions, and by regularly reporting cybercrime risks to postal business ventures. Much of our work is transparent to the average user, but cyber criminals pay close attention—for them, the Internet poses endless possibilities for fraud.

By safeguarding the network infrastructure, daily operations are uninterrupted and postal customers can transact business online without fear.

## Export Screening

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We assumed responsibility from the Postal Service in August 2012 for screening outbound international mail to detect violations of federal export laws. Postal Inspectors have since analyzed approximately 75,000 suspect packages and returned 7,271 packages to mailers who failed to meet federal standards. With each returned item, postal customers received educational material explaining in simple language the steps they must take to comply with the law. Our work with federal export regulatory agencies to implement a more comprehensive screening program continues.

**Inspectors seized 102,000  
counterfeit postal money orders with  
a face value of nearly \$98 million  
mailed to the U.S. from criminals overseas.**





ANALYZING FORENSICS

PREPARING OUR WORKFORCE

CONNECTING WITH CUSTOMERS

INVESTIGATIVE STATISTICS

# ANALYZING FORENSICS

We maintain a technologically advanced National Forensic Laboratory in Dulles, VA, comprising highly trained forensic scientists and technical specialists. These employees play a key role in identifying, apprehending, prosecuting, and convicting individuals responsible for postal-related crimes. Our criminal and security investigations involving prohibited and dangerous mail (mail containing contraband or harmful items or substances), mail theft, mail fraud, revenue fraud, robberies, burglaries, and workplace violence rely on the National Forensic Laboratory for scientific and technical assistance and expertise. Its services are divided into four distinct units: Questioned Documents Unit, Fingerprint Unit, Physical Sciences Unit, and Digital Evidence Unit.

New from the Digital Evidence Unit this fiscal year were cell phone kiosks it deployed at 18 major agency field offices, allowing Forensic Analysts and Postal Inspectors to securely collect from mobile devices such critical evidence as suspect phone numbers, text messages, and call lists.

## Forensics Leads to Arrest

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A letter carrier delivering mail in Plainfield, NJ, suffered head lacerations in October 2011 after a robber accosted him, demanded money, struck him repeatedly with the butt of a pistol, and fled with his wallet. Inspectors quickly arrested a suspect after Forensic Analysts identified him through latent fingerprints lifted from the carrier's vehicle and a juice bottle recovered near the scene.

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**FORENSIC ANALYSTS** **EXAMINED 50K** **PHYSICAL EVIDENCE** **ITEMS**

# PREPARING OUR WORKFORCE

Accredited through FLETA (Federal Law Enforcement Training Accreditation), our National Training Academy is recognized as one of the nation's premier law enforcement educational facilities. Twelve weeks of basic training for candidate Inspectors and eight weeks of basic training for Postal Police Officers (PPOs), conducted in residence at the academy's elite campus, prepare our workforce for a wide range of missions, terrain, and tactical situations. Management training for supervisors and executives further underscores the academy's critical roles.

Postal Inspector candidates undergo instruction on investigative techniques, defensive tactics, firearms, search and seizure tactics, arrest techniques, court procedures, postal operations, and the federal laws for which we have jurisdiction. Four candidate Inspector classes successfully completed academic, firearms, and practical exercises to become this year's newest graduates, and one class of new PPOs joined our ranks.

## Trained to Serve

FLETA granted reaccreditation status in March 2011 for our Basic Inspector and PPO training programs, recognizing our steadfast dedication to accrediting the academy and its programs.

To achieve accreditation, agencies submit to an independent review of their academy and programs to ensure compliance with FLETA standards. Accreditation is a cyclical process occurring every three years. We submit annual reports in preparation for reaccreditation, which is an independent review.

The 90 Postal Inspectors who graduated from the academy in FY 2012 were selected from a highly competitive group of more than 3,474 applicants.

# CONNECTING WITH CUSTOMERS

We operate two National Law Enforcement Communication Centers (NLECC), one at Dulles, VA, and the other at Ft. Worth, TX. These facilities maintain a national law enforcement radio network primarily to provide communications support for Postal Inspectors and Postal Police Officers, and also to support radio communications with other law enforcement agencies.

Besides monitoring intrusion-detection systems at Postal Service facilities and coordinating essential emergency responses, NLECC staff members also provide after-hours emergency phone coverage for all of our offices. NLECC staff members access law enforcement and intelligence information from such confidential sources as the National Crime Information Center (NCIC) and the International Justice & Public Safety Network (known as Nlets).

NLECC staff members  
received 142,000 calls  
from postal employees  
or customers seeking  
assistance with  
suspected mail crime.



### National Crime Information Center Records

In early FY 2012, we took responsibility for maintaining NCIC records and inputting them to NLECC, a process requiring precise timing and a well-organized team. Now part of the NLECC network, an accelerated schedule allowed 1,617 records to be transferred by August 2012. NLECC staff members enter, clear, and modify records 24 hours a day, complete warrant confirmations, and place detainers on confirmed subjects, ensuring seamless operations throughout the process.

**CALL POSTAL INSPECTORS**  
**877-876-2455**

- 1 Mail service issues (USPS)
- 2 Emergencies
- 3 Mail theft & identity theft
- 4 Mail fraud
- 5 Customer support



CHICAGO DIVISION

# INVESTIGATIVE STATISTICS > FY 2012

INVESTIGATIONS	ARRESTS & INDICTMENTS*	CONVICTIONS*
<b>MAIL THEFT BY NONEMPLOYEES &amp; CONTRACTORS</b> <i>(theft &amp; possession of stolen mail)</i>	3,158	2,321
<b>MAILING OF CONTROLLED SUBSTANCES</b> <i>(narcotics, steroids, drug proceeds &amp; drug paraphernalia)</i>	2,299	1,169
<b>MAIL FRAUD</b>	1,406	738
<b>MONEY LAUNDERING</b> <i>(postal money orders)</i>	240	174
<b>ASSAULTS &amp; THREATS</b> <i>(assaults &amp; threats against on-duty postal employees)</i>	235	160
<b>CHILD EXPLOITATION, MAILING OF OBSCENE MATTER &amp; SEXUALLY ORIENTED ADVERTISEMENTS</b>	153	86
<b>BURGLARY</b>	85	67
<b>ROBBERY</b>	69	55
<b>REVENUE FRAUD</b>	66	43
<b>NONMAILABLE, RESTRICTED &amp; PERISHABLE MATTER</b> <i>(firearms, weapons, intoxicants, extortion threats &amp; miscellaneous matter)</i>	66	42
<b>VANDALISM &amp; ARSON</b>	35	32
<b>SUSPICIOUS SUBSTANCES</b> <i>(non-threatening, hazardous &amp; hoax CBRN**)</i>	19	15
<b>SUSPICIOUS ITEMS</b> <i>(non-threatening items, bombs, threats, hoaxes &amp; explosive material)</i>	14	17
<b>TOTAL</b>	<b>7,845</b>	<b>4,919</b>

\* Arrests, indictments, and convictions reported in this period may be related to cases from prior reporting periods. Total convictions include pretrial diversions.

\*\* CBRN refers to chemical, biological, radiological, and nuclear.

IN MEMORY OF POSTAL INSPECTOR  
*Preston Parnell*  
END OF WATCH—JULY 26, 2012

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